



JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

# State of Utah

## Department of Commerce

### Division of Securities

FRANCINE A. GIANI  
*Executive Director*

THAD LEVAR  
*Deputy Director*

WAYNE KLEIN  
*Director of Securities*

## NEWS RELEASE

January 25, 2007

### **Davis County Promoters Accused of Investment Scam Involving Real Estate Lending** *Promoters hid information from prosecutors about prior investors ...*

**SALT LAKE CITY, Utah** – The Utah Division of Securities today issued an Order to Show Cause against The Cantamar LLC, Glenn Allen Britt, and Mauro E. Lobato, Jr. Both Britt and Lobato are from Davis County. The three respondents are accused of taking money from investors, claiming the money would be loaned to contractors working on large construction projects. Investors were told they would earn up to 60% per year. Investors have lost \$309,033.86.

The story started when Britt and others began selling promissory notes issued by Cantamar and another company called Commercial Lending Group (CLG). The Order to Show Cause alleges that between 2001 and 2003, Cantamar and Britt solicited \$384,794 from at least eight investors, giving promissory notes in return. According to the Division, Lobato was a sales agent for Cantamar and assisted in the solicitation of some of the investors. Investors were told that Cantamar and CLG were hard money lenders that catered to builders working on large construction projects. They were promised interest rates ranging from 18 to 60% interest.

In July 2004, the Attorney General filed criminal charges against Britt and two others for selling Cantamar notes in violation of the securities laws. Britt entered a guilty plea in March 2005 as part of a plea in abeyance. That plea required that he pay \$23,000 in restitution and meet other conditions. After the conclusion of that criminal case, the Division of Securities discovered that there were six additional investors in GLC and Cantamar which had not been disclosed by Britt as part of his original plea. This action relates to those additional six investors.

The Order to Show Cause alleges that Britt held seminars in Davis and Weber Counties soliciting investors. Some of the victims were neighbors of Britt. He is alleged to have told investors that all loans made by the companies were backed by real property as collateral. He encouraged investors to put all the cash from the sale of a home or from home equity loans into the investment program. He falsely claimed that CLG was licensed to sell securities. Another investor was told that Britt used to work with the stock exchange and that he had invested money from his own father in this venture.

A hearing will be held on February 26 to give the three respondents an opportunity to dispute the state's allegations.